

Senate Study Bill 1077 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act requiring notice of a change of beneficiary under an
2 individual policy of accident and sickness insurance and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 514A.3, subsection 1, paragraph 1, Code
2 2013, is amended to read as follows:

3 1. A provision as follows:

4 *Change of beneficiary:* Unless the insured makes an
5 irrevocable designation of beneficiary, the right to change
6 of beneficiary is reserved to the insured and the consent of
7 the beneficiary or beneficiaries shall not be requisite to
8 surrender or assignment of this policy or to any change of
9 beneficiary or beneficiaries, or to any other changes in this
10 policy. However, if a change of beneficiary is made, including
11 but not limited to termination of coverage of a dependent
12 or a former dependent, the insurer shall provide written
13 notification of the change to all beneficiaries of the policy
14 at least sixty days prior to the effective date of the change
15 of beneficiary. The notice shall specifically include an
16 explanation of the rights of a beneficiary under such coverage
17 to elect a continuation of the coverage, if the individual so
18 elects, immediately upon termination of the coverage under
19 which the individual was covered as a beneficiary.

20 (The first clause of this provision, relating to the
21 irrevocable designation of beneficiary, may be omitted at the
22 insurer's option.)

23 Sec. 2. APPLICABILITY. This Act applies to individual
24 policies of accident and sickness insurance delivered, issued
25 for delivery, continued, or renewed in this state on or after
26 January 1, 2014.

27 EXPLANATION

28 This bill requires that an individual policy of accident
29 and sickness insurance must include a provision requiring that
30 if a change of beneficiary is made, the insurer shall provide
31 written notification of the change to all beneficiaries of the
32 policy, including but not limited to termination of coverage
33 of a dependent or former dependent, at least 60 days prior to
34 the effective date of the change. The notice must specifically
35 include an explanation of the rights of a beneficiary under

S.F. _____

1 such coverage to elect a continuation of the coverage, if
2 the individual so elects, immediately upon termination of
3 the coverage. The bill applies to individual policies of
4 accident and sickness insurance delivered, issued for delivery,
5 continued, or renewed in this state on or after January 1,
6 2014.